



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 071

Monday, December 5, 2022

Chair: Mr. Peter Fonseca



Standing Committee on Finance

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• (1530)

[*English*]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): I call this meeting to order.

Welcome to meeting number 71 of the House of Commons Standing Committee on Finance.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Wednesday, November 16, 2022, the committee is meeting to proceed with the clause-by-clause of Bill C-241, an act to amend the Income Tax Act (deduction of travel expenses for tradespersons).

Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. Members are attending in person in the room and remotely using the Zoom application.

I would like to make a few comments for the benefit of witnesses and the members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mike, and please mute it when you're not speaking.

For interpretation for those on Zoom, you have the choice at the bottom of your screen of the floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

I would remind you that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

To help us with the clause-by-clause consideration of Bill C-241, I would now like to welcome our witnesses. From the Department of Finance, we have Lindsay Gwyer, director general of the tax legislation division at the tax policy branch. With Lindsay is Mark Maxson, the director of employment and education of the personal income tax division at the tax policy branch.

I'll inform all members that the witnesses have been tested for today's meeting. The tests have been passed for their mikes and their sound systems.

We are going to move on to the bill.

(On clause 1)

The Chair: Shall clause 1 carry?

I see a hand up.

Go ahead, MP Chatel.

Mrs. Sophie Chatel (Pontiac, Lib.): Before we go to the clause-by-clause, I would like to make a statement on this bill.

First of all, I want to start off by saying that the principle of this legislation is a good one. That's why we introduced the labour mobility deduction. I think that was something we all favoured, and we all look forward to helping to improve the lives of workers.

I think that if there's a value that we share in this committee, it is this one.

[*Translation*]

That said, the bill has some major flaws. I'm concerned about the potential for abuse. Being a tax accountant, I know that tax laws obviously have to be sound. Otherwise, the people the law doesn't apply to are the ones who benefit. The tax system has to be sound so that the wealthy with the means to pay for the services of bad actors can't take advantage of the law and erode the tax base.

I'm really concerned about this, so I will be voting against the bill.

Thank you.

The Chair: Thank you, Ms. Chatel.

[*English*]

I see MP Ste-Marie's hand up.

Go ahead, MP Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Thank you, Mr. Chair.

I have a few things to say about Bill C-241.

The Bloc Québécois supports Bill C-241, as we've said from the beginning. We think it's a good bill. However, some aspects of the bill gave rise to uncertainty.

I'd like to thank the Department of Finance for addressing those issues recently in a letter that it sent to the committee.

The Department of Finance provided a lot of information in response to the concerns that were raised regarding the definitions and interpretation the Canada Revenue Agency will apply in implementing the measures.

In the House, debate at second reading revolves around the principle underlying the bill. What I like about working in a committee is that members of every party can put forward amendments to make the legislation better.

As I recall, I had been pushing the government to do this. Since 2019, I've noticed that the government doesn't seem to think that an opposition member's bill can actually be passed and implemented. Just think of Bill C-208 in the previous Parliament. The bill, which dealt with the transfer of family businesses, sought to ensure that families would no longer be penalized when a family business stayed in the family instead of being sold to a third party. The government didn't bring forward a bill to do that, saying that it was going to introduce legislation to regulate the whole thing. A year and a half later, still no bill.

Many things in the finance department's response could have been turned into amendments had the government wanted to set parameters and prevent potential abuse.

That didn't happen, and from what I understand, the departments and the Canada Revenue Agency have the latitude they need to interpret how terms will be defined and so forth. To me, that means it's acceptable.

Obviously, I want to underscore to the members of the committee that it is better to make amendments to clarify and strengthen bills.

Personally, I recognize that the department and the agency will bring forward regulations and the relevant definitions. I still support this important bill, and I again want to thank the Department of Finance for providing information that will no doubt provide clarity around the bill's implementation.

Thank you.

• (1535)

The Chair: Thank you, Mr. Ste-Marie.

[*English*]

I'm just looking at the room to see if there is any further discussion.

MP Lewis.

Mr. Chris Lewis (Essex, CPC): Thank you, Mr. Chair.

I will be incredibly brief.

I just want to, first and foremost, say thank you to each and every person outside of these chambers this evening, both unionized and non-unionized folks, who for well over a year have brought so many suggestions and opportunities to discuss exactly what's needed on the ground for Canadians from coast to coast to coast to not only enforce, but to enhance our skilled trades across the country.

I guess it's about as simple as this: Bill C-241 is a very simple bill. It's black and white. It will help build our country. For those who support it, I say thank you from the bottom of my heart on behalf of skilled trades.

For those that are on the fence and who think perhaps that some wording should be amended, let's pass this today. Let's get this done. Let's get it back to the House to get it voted as quickly as possible, so that we can build the proper infrastructure for Canada. That's exactly why C-241 is so important.

Thank you, Mr. Chair.

The Chair: Thank you, MP Lewis.

Members, is there any further discussion?

Shall clause 1 carry?

Mrs. Sophie Chatel: I'd ask for a recorded vote.

(Clause 1 agreed to: yeas 6; nays 5)

The Chair: Shall the title carry?

Some hon. members: Agreed.

• (1540)

[*Translation*]

Mr. Gabriel Ste-Marie: On division.

[*English*]

The Chair: Shall the bill carry?

Some hon. members: Agreed.

Mrs. Sophie Chatel: On division.

The Chair: Shall the chair report the bill to the House?

Some hon. members: Agreed.

The Chair: On division.

It is passed. Thank you, members.

Congratulations, MP Lewis.

Members, that was very quick. I don't know if it was a record. I heard that the record is 17 seconds. I don't think we're at the record, but we're close.

That's what we have on our agenda for today. Our next meeting on Wednesday will be on fiscal federalism.

We're done for the day. Shall we adjourn?

An hon. member: Yes, adjourn.

The Chair: We are adjourned.

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